

BUDGET REVIEW COMMITTEE

JUNE 23, 2011

A meeting of the Budget Review Committee was held Thursday, June 23, 2011 at 7:02 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair presided.

Members of Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair (7:04 p.m.)
Alderman-at-Large Lori Wilshire (7:10)
Alderman Jeffrey T. Cox
Alderman Diane Sheehan
Alderman Mary Ann Melizzi-Golja

Members not in Attendance: Alderman Richard P. Flynn

Also in Attendance: Mayor Donnalee Lozeau
Alderman-at-Large Ben Clemons

Chairman Deane

Alderman Wilshire called me and told me that she had a work related item to attend to and that she would probably be running 10 or 15 minutes late, and Alderman Cookson said he might not be available, but I have yet to hear from him.

PUBLIC COMMENT - None

TABLED IN COMMITTEE

MOTION BY ALDERMAN COX TO TAKE FROM THE TABLE O-10-42 MOTION CARRIED

O-10-42

Endorser: Mayor Donnalee Lozeau

ADOPTION OF AMENDMENTS TO MERIT EMPLOYEE RULES AND REGULATIONS EFFECTIVE JANUARY 1, 2011

- Also assigned to Personnel/Administrative Affairs Committee; Final Passage as Amended – 6/9/11

MOTION BY ALDERMAN SHEEHAN TO RECOMMEND FINAL PASSAGE AS AMENDED

ON THE QUESTION

Chairman Deane

Alderman Clemons I believe you made all of these amendments did you not?

Alderman Clemons

They were made in committee. I don't know if I made the motion or not, but certainly we did make them per the recommendation that came forward from the Mayor. There were some updates that we had gone over in a joint meeting late last year, but some of the more substantial things that this does is changes the merit employees healthcare to be what is in line with for example what the library contract came forward with and what the teachers' union has agreed to regarding what the Mayor had set forth. It might be helpful if the Mayor, I would defer to the Mayor to discuss most of those.

Chairman Deane

Sure. Mayor would you like to comment on this?

Alderman Cookson

Mr. Chairman, as the Mayor approaches, I just had a general question. We're seeing a new way of editing these files that are presented to us. There are now some highlight fields and then there are what we have typically seen as areas of the contract that are underlined to represent new text. Could somebody just distinguish why we are seeing it this way and what it actually represents now?

Mayor Lozeau

Certainly.

Alderman Cookson

Thank you.

Mayor Lozeau

Mr. Chairman...

Chairman Deane

Go ahead Mayor.

Mayor Lozeau

I guess this will fall under the category of no good deed goes unpunished again.

Alderman Cookson

Just trying to understand it.

Alderman Cox

Oh, of course.

Mayor Lozeau

Happy to help. As you recall this was brought in quite some time ago, and between then and now there have been some changes made, an amendment that I brought into the committee. In an effort to distinguish for them the changes between the original version and the version that is here now, it is highlighted in yellow.

Alderman Cookson

So the highlighted in yellow pieces are amendments that were made in the committee that...

Mayor Lozeau

No. They are amendments that I offered to the committee at their last meeting that are different than what was offered in the original ordinance as introduced. There are four such changes that are highlighted in yellow, and if the Chairman would like I will walk through those four changes seeing we have already had the discussion on...

Alderman Clemons

Just for clarification too further to that is that the highlighted changes were the ones that the Mayor had come into Personnel with the last Personnel meeting. The underlined changes some of which are in the yellow some of which are not, were changes that came forward when this was originally proposed back in the fall of 2010.

Alderman Cookson

June 9, 2011?

Alderman Clemons

Highlighted un-underlined if that makes sense.

Chairman Deane

The highlighted language is what was changed at his meeting by motions made by members of the Personnel Committee. The ones that are underlined are ones that were originally brought in when the legislation was introduced.

Alderman Cookson

Thank you.

Chairman Deane

Is that correct?

Mayor Lozeau

That is correct, and I think what Alderman Clemons was trying to point out is that there are some things that are highlighted in yellow that are also underlined because they had been in the original. As we walk through this, what I had asked the Personnel/Administrative Affairs Committee to consider in addition are the following changes; on the first page you will note three paragraphs that are highlighted. One is to allow the senior management that did not receive their step increase last year and got zero to receive their step increase in this fiscal year. The second one is relating to all of the merit employees getting the .5% increase, as Alderman Clemons said, that runs parallel with the contracts that have already been adopted. The third piece is what you have seen new to the contracts that have been presented, which is funds being returned based on concessions, and in this legislation for the merit funds, my preference, what I am asking the committee to consider, is moving that money into our capital improvements building dollars because one of the things that would be very helpful to be able to do is to change out some of our 30 year old carpets and some other things in the building, and that would allow us a little bit more cash to use instead of the bond.

On page 3 you see the change with performance evaluations. Originally when I brought this legislation in and at the joint meeting the discussion surrounded whether it should be anniversary dates or annual and based on feedback from both the committee and the employees, we determined that we would only have my staff be on their anniversary date. The administrative support staff that we have talked about time and again during the budget cycle comes in as a new Mayor comes in so it doesn't have to be me it could be whoever the next Mayor might be.

On page 7, highlighted again in yellow again is just another provision that had been anniversary and is now back to just my staff being anniversary. Those two highlighted yellow paragraphs ahead of that are what is currently in the merit plan. They are highlighted only because this is just a component that rides together, but those first two paragraphs are existing in the merit plan.

On page 11 is the last change, and that is the effective date for the change in the increased healthcare contribution. That again mimics the contracts that we have adopted.

Those are the pieces that are new that the Budget Committee has not seen, but that the Personnel/Administrative Affairs Committee considered and passed at their last meeting when they took this up.

Chairman Deane

So the change in plan is only in your office so you have control of that?

Mayor Lozeau

No. There are two things in that whole section. I was speaking specifically to the yellow section, which is for all merit employees increasing both their Point of Service Plan and their HMO plan to mimic the increased contribution that we have seen through all of the unions. The two paragraphs above that that are underlined were what was in the original ordinance when I brought it in, that speak specifically to my staff, and that is brought in because when I came in I was not aware that there was a merit plan that would limit me on having my staff have a different contribution level than others. When I came in the city plan was at 95% paid by the city and 5% paid by the employees, and at that time I changed it to be for myself and all of my staff in my office to be at the contribution that we are now negotiating at the 80/20 and so the provisions that aren't highlighted but are instead underlined allow me to change that to having the employee potentially pay more, but in no instance less.

Chairman Deane

On the first page, which CPI-U are you using?

Mayor Lozeau

The same one that we use for everything else. I would imagine it is the northeast.

Chairman Deane

That should be probably part of the amendment right so it is clearly...

Mayor Lozeau

That is the current merit plan speaks to the CPI-U. That is what exists today. I didn't make the change there.

Chairman Deane

So these three highlighted areas in yellow aren't a change?

Mayor Lozeau

They are a change, but the language that says "the three year average of the COPI-U, but will receive a..." that language is existing language right now. It is for people that are maxed out. That is in the second paragraph. The first paragraph is existing language, but the only change there is that this is for the employees that did not get an increase last year that they will get their normal increase this year.

Chairman Deane

Provided they...

Mayor Lozeau

Receive a satisfactory performance evaluation.

Chairman Deane

And who gives the evaluation?

Mayor Lozeau

I do. It is for my direct reports, senior staff level, that list that I distributed to the Budget Committee.

Alderman Clemons

Could you repeat the motion that is on the floor Alderman Deane?

Chairman Deane

The motion is to recommend final passage as amended by Alderman Sheehan.

Alderman Clemons

Did this committee ever vote to amend? You may want to ...

Chairman Deane

We haven't voted to amend anything. I think what Alderman Sheehan has done is she has made a motion to accept what we have received with our agenda as the amendments and...

Alderman Clemons

Okay. Well I have a further clarification.

Chairman Deane

Okay. What page are we on?

Alderman Clemons

The first page. Something that the Personnel Committee, it is minor, but, not really minor actually, it is pretty important, but something that the committee overlooked was changing the effective date. Currently it states January 1, 2011. We want to make sure that in the title it states July 1, 2011. Also further below mentions January 1st again, you probably want to change that to July 1st. Then if you flip over to the Merit Employees Rules and Regulations it should again read effective July 1, 2011.

Alderman Cox

Mr. Chairman, just for a clarification, I see up top where Alderman Clemons is mentioning January switching to July, down below it states July in the yellow.

Alderman Clemons

That is something very specific though to the ...

Alderman Cox

Okay. Thank you very much.

Chairman Deane

I believe the motion would be to amend in the body to read effective dates throughout to read July 1, 2011, is that what you would like to make?

Alderman Clemons

Well in those three spots. There are other areas where that wouldn't be appropriate I believe.

Chairman Deane

Do you want to point to those?

Alderman Clemons

For example on a highlighted sheet it says employees who are prior to promoted between January 1st and June 30th. There are a few other spots, but it is those three spots that need to be changed...

Chairman Deane

So the motion is to amend 50-7 under merit pay compensation, under A, amend that to July 1, 2011. The next one reads July 1, 2011, the next one has no date, the next amendment has no date, the effective date on the front of the Merit Employee Rules and Regulations would also be amended to read July 1, 2011...

Alderman Clemons

And then just the title of the ordinance.

Chairman Deane

...that is in the body, and in the title, the title would also be amended to July 1, 2011.

Alderman Clemons

Yes.

MOTION TO AMEND O-10-42 UNDER §50-7 A, BY CHANGING THE EFFECTIVE DATE FROM “JANUARY 1, 2011” TO “JULY 1, 2011”, BY CHANGING THE EFFECTIVE DATE OF THE MERIT EMPLOYEES RULES AND REGULATIONS HANDBOOK FROM “JANUARY 1, 2011” TO “JULY 1, 2011”, AND IN THE TITLE BY CHANGING THE EFFECTIVE DATE FROM “JANUARY 1, 2011” TO “JULY 1, 2011”
MOTION CARRIED

MOTION BY ALDERMAN DEANE TO FURTHER AMEND IN THE FIRST AND SECOND PARAGRAPHS UNDER SECTION §50-7 BY ADDING THE WORD “NORTHEAST” AFTER “CPI-U”

ON THE QUESTION

Chairman Deane

That would keep it consistent with the ordinance we have that describes which CPI-U we use when we are doing our budget. That way we have some consistency. Are there any questions on that motion?

MOTION CARRIED

Chairman Deane

Have these amendments been given to the employees to look at?

Mayor Lozeau

Yes.

Chairman Deane

And what did they say anything?

Mayor Lozeau

All of the original amendments that is what prompted me to change the direction I was heading on anniversary dates for performance evaluations. The newest amendments we have had meetings and discussions surrounding them, and there were no comments.

Chairman Deane

There were no comments from anybody?

Mayor Lozeau

Well I mean no comments that would change anything. All of the merit employees were all invited to a meeting here and we discussed the healthcare changes, the merit changes. We had a discussion that night.

Chairman Deane

So there was a discussion.

Mayor Lozeau

Yes.

Alderman Cookson

Thank you. I had a question with regard to the first paragraph in yellow just to make sure that I understand it. It begins with for FY 2012, and then the merit employees there are two criteria. It is one or the other. They either did not receive a one step advancement with their job or they did not receive a salary increase equal to the three year average of the CPI-U for FY 2011. Those are the two criteria...

Mayor Lozeau

Right.

Alderman Cookson

...one of the two criteria which need to be met in order for a one step advancement with their job classification effective July 1, 2011?

Mayor Lozeau

Right.

Alderman Cookson

Okay. And then the performance evaluation I know that you said that you conducted it. Is it based on the individual's PDF?

Mayor Lozeau

Of course.

Alderman Cookson

Okay. And is it an evaluation that the H.R. Department created or is responsible for so that it is consistent throughout the entire city?

Mayor Lozeau

Actually no. The senior management team has a different evaluation tool than the remainder of the city employees. We put an effort in to creating a more comprehensive evaluation tool for senior managers. So it is consistent across the board with the senior managers that report directly to me and then we have worked on developing a tool for other managers and then a different tool for what I would call line staff.

Alderman Cookson

And then in your second paragraph it talks about all other merit employees will not receive a one step advancement with their classification, but will receive a salary increase of ½ a percent.

Mayor Lozeau

That is correct so the grid is frozen.

Alderman Cookson

The grid didn't change at all?

Mayor Lozeau

No. Did not.

Chairman Deane

Are you all set Alderman Cookson?

Alderman Cookson

I had one other question. It wasn't any language that was changed, but I did have a question about sick leave and vacation time, and the amount of days which an employee may accrue. Sick leave they can accrue a maximum of 90 days and then they will receive 100% of their sick leave upon retirement. In the union contracts that we just recently saw the union contract was it 100 days?

Mayor Lozeau

I believe it is 100 days. I can't confirm that off the top of my head.

Alderman Cookson

Okay. And then...

Chairman Deane

Was that the library contract you are speaking of or the teachers?

Alderman Cookson

I think it may have been in both, but I distinctly remember the teachers' contract being 100 days and then there was another factor of 120 days, but I don't have that contract in front of me so I just wanted to see how the two of them compared. I will say that at that meeting when we discussed the teachers' contract I thought the 100 days was a very nice benefit to be able to carry that many days and then upon retirement be able to cash in at 100% of those days. I think I feel the same way with this. I think 90 days is very generous to be able to accrue.

Has there been any conversation at all about the number of days which might be accrued?

Mayor Lozeau

It only relates to employees hired after 1995.

Alderman Sheehan

Before.

Mayor Lozeau

Pardon me, before 1995.

Alderman Sheehan

It is a grandfathered clause.

Mayor Lozeau

I don't know that we can go back and take it away from them.

Alderman Cookson

Understood.

Mayor Lozeau

Okay, but the 90 days that you are referring to here that is who that is.

Alderman Cookson

Right. And what are they able to accrue ...

Mayor Lozeau

The paragraph right ahead, total accumulation per year is 15 days.

Alderman Cookson

Thank you.

Mayor Lozeau

You are welcome.

Alderman Cookson

And finally city contributions...

Mayor Lozeau

I'm sorry Alderman Cookson, if you look at the third paragraph under sick leave, it talks about hired after 1995 they can accrue an unlimited amount of sick time, but they are only eligible for 20% of their unused sick leave balance upon retirement.

Alderman Cookson

That is distinctly different from the union contracts that we are seeing.

Mayor Lozeau

It is.

Alderman Cookson

Finally, the city contributions, which I don't have a page, but it is the very next page, the highlighted portion where you have four paragraphs HMO, Point of Service, and then effective July 1, 2011, HMO and Point of Service. Can you explain to me again one more time the difference between the first two paragraphs that are not highlighted and the second two paragraphs which are?

Mayor Lozeau

The difference is my staff versus the rest of the city. I did not realize when I came into office that I didn't have the ability as the manager to change benefits for immediate staff that I hired in my office, and so I changed it for myself and for that staff to the city's contribution was 80% and our contribution was 20%.

Alderman Cookson

That was for the HMO.

Mayor Lozeau

For the HMO, and then for the Point of Service it changed to I believe it was 70% and 30%. When this legislation came in originally it was only to deal with giving me the ability to do that. Because of where we are today and what we have been able to negotiate and what I have asked for for concessions, we have added that provision for the rest of the employees. The way this language reads it still will allow me to reduce the city's contribution for the direct administrative support staff in the Mayor's Office. Now hopefully my staff isn't listening and not going to panic, but I mean it would allow me to say you know well 80/20 isn't

enough, my staff is going to give 30% and the city is going to give 70%. I don't see that happening. I have no plans for that, but I think the discretion should be there in that instance, and that is what I have proposed.

Alderman Cookson

I don't see any difference in the language between the un-highlighted and the highlighted with the exception of the effective date.

Mayor Lozeau

I see what you are saying. So you are saying why do we need the underlined language because the highlighted picks up what we have already said and adds the addition about the Mayor reducing the staff.

Alderman Cookson

That is correct. So should the first two paragraphs be stricken?

Mayor Lozeau

I don't think it is a problem if they are taken out because they are just repeated is what you are saying.

Alderman Cookson

Right.

MOTION BY ALDERMAN COOKSON TO AMEND, UNDER "CITY CONTRIBUTIONS (EFFECTIVE JANUARY 1, 2008)" BY STRIKING THE UN-HIGHLIGHTED PORTIONS REFERRING TO HMO AND POINT OF SERVICE

ON THE QUESTION

Mayor Lozeau

Mr. Chairman if I could, you will see that effective January 1, 2008 is what applies to those two things so that should have been changed at some point too so with the new effective dates in and all of the language captured in those last two, I don't think it is a problem.

AMENDED MOTION BY ALDERMAN COOKSON TO AMEND, UNDER "CITY CONTRIBUTIONS" BY STRIKING THE LANGUAGE "(EFFECTIVE JANUARY 1, 2008)" AND THE UN-HIGHLIGHTED PORTIONS REFERRING TO HMO AND POINT OF SERVICE

ON THE QUESTION

Chairman Deane

So under HMOP City Contributions is that where you are Alderman Cookson?

Alderman Cookson

That is correct.

Mayor Lozeau

Page 11.

Chairman Deane

And you want to strike ...

Alderman Cookson

The un-highlighted references beginning with “HMO the city contributes 90%...” that entire sentence, the next sentence beginning with “Point of Service (POS) the city contributes 80%...” strike that entire sentence, and then right above that in the parenthesis “(effective January 1, 2008)” that would be struck as well.

Chairman Deane

So you are leaving the “except the Mayor may reduce the city’s contribution for the direct administrative support staff in the mayor’s office.”

Alderman Cookson

What is left would be the title of the paragraph “City Contributions”, and then the highlighted portions...

Chairman Deane

So you want to strike the underlined, you want to strike all of those things right through?

Alderman Cookson

That is correct, the entire sentence beginning with “HMO the city contributes 90%...”

Chairman Deane

All the way to “office” is the last word right?

Alderman Cookson

That is correct.

Chairman Deane

Okay. Under City Contributions the motion by Alderman Cookson is to strike the first two sentences starting with HMO and Point of Service.

Alderman Cox

Thank you Mr. Chairman. I see a great benefit in leaving it in there in that historically as we look back, especially as these contracts come across, that we see how and when changes have been made to whether it be the merit plan, any of these contracts, and obviously it says January 1, 2008. This is what the

change was. And then we see July 1, 2011, this is what the change was. I think it is of great benefit having it left in there. Thank you.

Chairman Deane

We will still have the older version of this when it was originally looked at...

Alderman Cox

But not laid out in front of you like this. You would have to research it.

Chairman Deane

Well that would be like leaving a contract with everything stricken in it and left and...it is up to the board on how they will vote.

Alderman Sheehan

I was unclear whether the bolded City Contributions (effective January 1, 2008) that whole line, it sounded to me like the Alderman wanted that whole line struck. I would counter that perhaps just changing it to reflect July 1, 2011.

Chairman Deane

That was his motion. His motion was to change ...

Alderman Sheehan

Okay I was unclear. That is why I'm checking.

Chairman Deane

...in City Contributions and then parenthesis effective would be July 1, 2011 instead of January 1, 2008. That was part of his motion and then the other part was just to strike where it is bold HMO and bold where it is Point of Service, and that those two highlighted items below will cover that.

Alderman Sheehan

That part I understood I just was unclear on the bold title.

Chairman Deane

You heard the motion. Is there any more discussion on the motion?

MOTION CARRIED

Mayor Lozeau

Mr. Chairman, does that mean you would like to leave "effective July 1, 2011" in all three places?

Chairman Deane

Probably isn't necessary.

Mayor Lozeau

No it doesn't matter, but I just...it is just about form now. I think when Alderman Cookson made his motion I think his intention, I won't speak for him because I know he is more than capable, but I think that is why he was just striking the effective language in that top one.

Chairman Deane

Do you want to leave that? What is the will of the committee? Do you want to take it out?

MOTION BY ALDERMAN DEANE TO AMEND BY STRIKING THE WORDS "EFFECTIVE JULY 1, 2011" ON BOTH THE HMO AND POINT OF SERVICE HIGHLIGHTED SENTENCES THAT ARE LEFT UNDER "CITY CONTRIBUTIONS"
MOTION CARRIED

Alderman Cox

Thank you Mr. Chairman. On page 5, the title called "Merit Pay Program" that carries over into the next page, and there are three highlights. I would just like to point out to the Chairman that the next paragraph after the three highlights at the very end it says "CPI-U", which we didn't pick up for the northeast when you made your amendment.

MOTION BY ALDERMAN COX TO FURTHER AMEND UNDER "MERIT PAY PROGRAM" PARAGRAPH FIVE BY ADDING THE WORD "NORTHEAST" AFTER THE WORD "CPI-U"
MOTION CARRIED

Chairman Deane

Are there any other items in this? How much money did we budget for carpet? Why do we need another \$100,000 for City Hall?

Mayor Lozeau

It is not just for carpet. Actually Alderman Deane we haven't finished all of the work at City Hall that I would like to do. We haven't finished work at Public Health. When I look at the dollars that we have it seemed to me that it made some sense to put some of that cash in here. It can be used in a lot of different places, but as I mentioned to the committee there is some work that needs to be done at the back entrance, which is now more of the main entrance than the back entrance. We have carpet that is over 30 years old here. We have some issues down in the Assessing Office as it relates to air quality that need to be dealt with differently than just through an HVAC system. There are just other things in this building and some of the other city buildings that need attention.

Based on things that were cut from the budget as they related to merit employees, I thought that the best use of those funds were the quality of their work environment and the ability not to have to use bonded money for it I thought was a good thing.

Chairman Deane

So we have the money we just want to use cash in stead of borrowed money...

Mayor Lozeau

That is correct.

Chairman Deane

...so the money is available.

Mayor Lozeau

Yes.

Chairman Deane

So there is plenty of money you just want to use cash so we can reduce the bond by \$93,474?

Mayor Lozeau

I wouldn't characterize that there is plenty of money. Alderman Deane as I told the Budget Committee as we were doing the City Hall project, we put money aside and our priority was for the windows, the HVAC system, things like that. The renovations, cosmetic renovations, were not necessarily budgeted for. Depending on what we could save on other projects, that would determine either how much was left at the end for the Court Street building or how much more we could put into public health. I don't know what the final analysis is going to be. We are working on getting prices right now for the cost of the new build for public health. I think that there is an opportunity here, and I wanted to use it.

Alderman Cookson

Thank you. I just had a quick question about the language as it relates to the three year average of the CPI-U index, and I will just refer to the first highlighted paragraph for the ease of having a conversation. It says "equal to the three year average of the CPI-U index in FY2011". It is the previous three years. So it is leading up to 2011. So would you use '09, '10, and '11 or '08, '09, and '10 to determine the average CPI-U index for FY11?

Mayor Lozeau

I don't know the answer to that. I don't know if it includes FY11 or if it is the three years prior to FY11. It is the same calculation that is used for the Spending Cap for the budget.

Alderman Cookson

Do you recall Alderman Deane which years they use to calculate...

Chairman Deane

It was the three prior...

Alderman Cookson

It is the three prior so...

Chairman Deane

...like this year they used '08, '09, and '10 right because the...

Mayor Lozeau

I believe it is prior, but I'm just not confident enough to say that without...

Chairman Deane

Well the CPI-U isn't set ...

Mayor Lozeau

For '11 yet.

Chairman Deane

For '11...

Alderman Cookson

For '11, so it would be the...

Chairman Deane

So it is the three prior years. What was it this year, 2? It was 2 right?

Mayor Lozeau

Just about. It might have been 2.3.

Alderman Cookson

Do we have enough faith that we don't have to spell that out within this document that we know which years to use for the calculation?

Mayor Lozeau

Yes we do. And if I went back to the office I could answer your question, but as Alderman Deane pointed out, knowing that the FY11 one wouldn't be done in time it must be the three prior years.

Alderman Cookson

So it would be '08, '09, and '10 to determine '11.

Mayor Lozeau

Right.

Chairman Deane

Any further discussion? We put all of the amendments, and now I guess we are back to the main motion. We have made all of the amendments because we further amended so I believe Alderman Sheehan; back to her main motion was to recommend final passage as amended. Is that correct?

MOTION CARRIED

PUBLIC COMMENT - None

REMARKS BY THE ALDERMEN

Alderman Sheehan

Just want to say attaboys for my sons for their report cards today.

Alderman Cox

A quick congratulations to my son Timmy who graduated Elm Street Middle School earlier today.

ADJOURNMENT

MOTION BY ALDERMAN WILSHIRE TO ADJOURN

MOTION CARRIED

The meeting was declared closed at 7:42 p.m.

Alderman-at-Large David W. Deane
Chairman, Budget Review Committee